

National Grid Electricity Transmission Commercial Balancing Services Group (CBSG) Terms of Reference

Introduction

1. This paper outlines the working arrangements and Terms of Reference for the CBSG.

Governance

2. The CBSG is established by National Grid in order to provide a focal point for the industry, balancing service providers and National Grid to discuss areas for development of commercial balancing services¹, for example Constraint Management, Short Term Operating Reserve and Firm Frequency Response. The decision of what changes are made to commercial balancing services remains with National Grid whilst taking into account the effects on stakeholders with whom National Grid has bilateral agreements with.
3. The group shall informally report on work to the Electricity Operational Forum and CUSC Modifications Panel.

Membership

4. The CBSG shall comprise a suitable and appropriate cross section of experience and expertise from across the industry, including:
 - Balancing Services Standing Group members
 - Commercial balancing services providers including; generation, demand side, potential/innovative providers and new technologies.
 - Representation from Ofgem (optional)

Meeting Administration

5. CBSG meetings will take place every 6 weeks. Cancellation of meetings must be sufficiently justified and agreed by the majority of the group. Where meetings are cancelled a minimum of 5 business days notice must be provided. Where a meeting has been cancelled or postponed, the minutes from the previous meeting will be approved via email in order for them to be published on the National Grid website in a timely manner.
6. The agenda and any documents relating to the meeting will be circulated to the group 5 business days prior to the date of the meeting.

¹ Most easily described as balancing services not defined in section 4 of the CUSC (<http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/contracts/>).

7. The CBSG meeting should, where reasonably practicable, be held on the same day as the Balancing Services Standing Group (BSSG)².
8. National Grid will provide technical secretary resource to the CBSG and handle administrative arrangements such as venue, agenda and minutes.
9. The CBSG will have a dedicated page under the Balancing Services section of the National Grid UK website. This will enable CBSG information such as minutes and presentations to be available to a wider audience. There shall be links to and from BSSG web page. The link to the CBSG page is:
<http://www.nationalgrid.com/uk/Electricity/Balancing/CommercialBalancingServicesGroup/>
10. Any communication relating to the work of the CBSG and its meetings must be sent to the appropriate CBSG distribution list in a timely and consistent manner.

Scope and Objectives

11. Review contractual arrangements for procurement of Commercial Balancing Services, i.e. those not defined in CUSC.
12. Focus on increasing new service provision, increasing competition and transparency
13. The focus of the group shall be:
 - a) *Information Provision:*
Consider the current approach to information provision with respect to balancing services and identify areas for future development, in particular constraint management. **Complete**
 - b) *Constraint Management*
With a background of enduring socialised connect and manage; consider the current approach to constraint management, and how this may be developed for short and longer-term constraint management. **Complete**
 - c) *Transmission Outage Coordination*
 - d) *Transparency*
14. Where the CBSG identifies additional work, it shall discuss a priority order in which the work needs to be completed. In order to encourage the widest participation, a request will be made to the relevant industry and

² Further details of the BSSG can be found at the following webpage <http://www.nationalgrid.com/uk/Electricity/Codes/systemcode/workingstandinggroups/bssg/index.htm>

provider distribution lists, from time to time, requesting areas they wish to be reviewed.

15. In considering the above issues, the CBSG should be cognisant of any related developments that may progress in any other Industry forums.